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March 14, 2006

BY ELECTRONIC FILING

Honorable Gregory M. Sleet U.S. District Court for the District of Delaware J. Caleb Boggs Federal Building 844 N. King Street - Room 4324 Wilmington, Delaware 19801

> Integrated Health Services v. THCI Company LLC Re:

> > Civil Action No. 04-910 (GMS)

Dear Judge Sleet:

This firm, together with Pitney Hardin LLP, represents THCI Company LLC ("THCI") in this action and the related appeal pending before Your Honor under Civil Action No. 03-610. I am writing in response to the letter from plaintiffs' counsel, Amos Alter, dated March 13, 2006 and to request guidance as to whether to respond to the motion to quash certain subpoenas because counsel has indeed been "unmindful" of Your Honor's procedures.

During a conference on February 28, 2006, Your Honor heard argument on whether discovery should proceed and whether Mr. Alter was permitted to file an "omnibus" motion including discovery issues. I attach a copy of the transcript from that conference (Exhibit A) for the Court's convenience. Your Honor rejected Mr. Alter's request for a stay and for leave to file an omnibus motion and ordered discovery to move forward. Your Honor advised Mr. Alter that the Court does not permit motions practice on discovery issues, explaining that "you don't have free leave to file motions seeking protection or compulsion of discovery." (Transcript at 15-16). After considering additional argument, the Court reiterated that "you are not given leave to freely file so called omnibus motions, Mr. Alter." (Transcript at 20). Consistent with the Court's instructions and local practice, my co-counsel, Mr. Sager spoke to and sent a letter to Mr. Alter and expressed THCI's willingness to consider a reasonable compromise on Mr. Alter's discovery concerns to avoid burdening the Court with discovery disputes. A copy

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of Mr. Sager's letter is attached as Exhibit B. Mr. Alter refused any compromise and filed his motion to quash.

Given that Mr. Alter has ignored Your Honor's instructions, I write to inquire whether THCI should respond to that portion of plaintiffs' motion seeking to quash the subpoenas or whether THCI may proceed with discovery consistent with the Court's prior ruling.

Respectfully,

Collins J. Seitz, Jr. (Bar No. 2237)

CJS,Jr./saj Enclosures

cc: David S. Sager, Esquire (w/enc.) (by email)
Michael R. Lastowski, Esquire (w/enc.) (by email)
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